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One Way Loans, LLC, d/b/a PowerLend

FILED & ENTERED

DEC 27 2018

CLERK U.S. BANKRUPTCY COURT
Central District of California
BY may DEPUTY CLERK

9 **UNITED STATES BANKRUPTCY COURT**

10 **CENTRAL DISTRICT OF CALIFORNIA, LOS ANGELES DIVISION**

11 In re

Case No. 2:18-bk-24572-SK

12 ONE WAY LOANS, LLC, a California
limited liability company, d/b/a
13 POWERLEND,

Chapter 11

14 Debtor.

**INTERIM ORDER ON EMERGENCY
MOTION OF DEBTOR AND DEBTOR IN
POSSESSION FOR INTERIM AND
FINAL ORDERS AUTHORIZING USE OF
CASH COLLATERAL, AND SETTING
CONTINUED INTERIM HEARING**

17 [Relates to Dkt. No. 5]

18 **Interim Hearing**

Date: December 21, 2018
Time: 8:30 a.m.
Place: Courtroom 1575
255 East Temple Street
Los Angeles, CA 90012

21 **Final Hearing**

Date: January 16, 2019
Time: 9:00 a.m.
Place: Courtroom 1575
255 East Temple Street
Los Angeles, CA 90012

1 The “Emergency Motion of Debtor And Debtor in Possession For Interim And Final
2 Orders Authorizing Use of Cash Collateral” [Dkt. No. 5] (the “Motion”), filed by One Way Loans,
3 LLC, d/b/a PowerLend, the above-captioned debtor and debtor in possession (the “Debtor”),
4 pursuant to 11 U.S.C. §§ 363(a), 363(c)(2), and 552(b)(1), Rule 4001(b) of the Federal Rules of
5 Bankruptcy Procedure, and Local Bankruptcy Rules 2081-1(a)(9) and 9075-1(a), came on for
6 hearing on an emergency basis on December 21, 2018, at 8:30 a.m., before the Honorable Sandra
7 R. Klein, United States Bankruptcy Judge, in Courtroom 1575 of the above-entitled Court.
8 Appearances were as noted on the record of the hearing.

9 This Court having considered the Motion, the alternate Cash Collateral Budgets (as that
10 term is defined in the Motion) attached to the Appendix of Exhibits filed in support of the Motion
11 [Dkt. No. 6] (the “Appendix of Exhibits”) as Exhibit “1” and Exhibit “2”, respectively, the
12 “Omnibus Declaration of David Redlener in Support of First Day Motions,” the “Declaration of
13 Donald A. Stukes in Support of Debtor’s First Day Motions,” all other papers filed in support of
14 the Motion, the “Preliminary Objection to Emergency Motion of Debtor And Debtor in Possession
15 For Interim And Final Orders Authorizing Use of Cash Collateral” [Dkt. No. 18], filed by JGB
16 Collateral, LLC, as agent for JGB (Cayman) Glenmachrie Ltd., and JGB (Cayman) Glenmachrie
17 Ltd. (collectively, “JGB,” and together with the Debtor, the “Parties”), all other papers filed in
18 connection with the Motion, the record in this case, and all arguments, statements, and
19 representations of counsel on the record at the hearing; no other party having filed any opposition
20 or other response to the Motion; and the Court having been advised at the hearing that, pursuant to
21 agreement of the Parties, the terms of which are set forth in the directives below, JGB consents to
22 the Debtor’s use of cash collateral on an interim basis; and the Court having been further advised
23 that the Debtor’s records indicate that JGB swept the Debtor’s bank accounts post-petition on two
24 separate occasions in the sum of \$8,383.99; and the Motion and notice of the Motion having been
25 timely and properly served on all necessary parties, including, but not limited to, First Associates
26 Loan Servicing, LLC (“First Associates”), and Preferred Bank, in accordance with the directions
27 of the Court and the Local Bankruptcy Rules; and good cause appearing therefor, it is hereby
28 **ORDERED** as follows:

1 1. The Motion is GRANTED on an interim basis pursuant to the Parties' agreement
2 stated on the record of the hearing on the Motion and as set forth herein.

3 2. The Debtor is authorized to use cash collateral for the next four weeks commencing
4 the week ending December 21, 2018, through and including the week ending January 11, 2019,
5 pursuant to the Alternate Budget (as that term is defined in the Motion), which budget is attached
6 to the Appendix of Exhibits as Exhibit "2", except that, at this time, the Debtor is not authorized to
7 use cash collateral to make any payment on account of the \$6,500 budgeted line item described as
8 "Corp Income Taxes."

9 3. First Associates is authorized and directed to immediately release to the Debtor any
10 and all funds First Associates holds and otherwise maintains on account of its loan collections
11 made on behalf of the Debtor pursuant to its Loan Servicing Agreement with the Debtor, as well
12 as any additional such funds it collects on behalf of the Debtor through and including the week
13 ending January 11, 2019.

14 4. To the extent JGB swept any of the Debtor's funds in any of the Debtor's bank
15 accounts post-petition, JGB shall promptly return all such funds to the Debtor.

16 5. JGB shall not object to any notices of insider compensation the Debtor files with
17 respect to any such insider compensation to be paid consistent with the Alternate Budget and this
18 Order, with all of JGB's rights to object to payment of any additional insider compensation
19 expressly reserved.

20 6. JGB's consent to the Debtor's use of cash collateral as set forth herein is expressly
21 conditioned on the execution of a letter agreement in the form to be agreed upon by each of the
22 following parties: (a) David Redlener; (b) DCMRED, LLC; (c) Erika Harvel; (d) Harinder Rana;
23 (e) JAAT Holdings LLC; (f) Michael Silberman; and (g) P & G Holdings LLC.

24 7. Notwithstanding anything to the contrary herein, each of the Parties expressly
25 reserves, and do not waive, any and all rights with respect to any further interim use of cash
26 collateral, final use of cash collateral, or otherwise.

27 8. The interim hearing on the Motion is continued to January 16, 2019, at 9:00 a.m.

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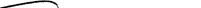
1 9. JGB shall file any further opposition or response to the Motion, if any, by no later
2 than December 28, 2018, and the Debtor shall file any reply, if any, no later than January 4, 2019.

3 10. During the period covered by this Order (the “Designated Period”), the Debtor is
4 permitted to exceed disbursements forecasted in the Alternate Budget by not more than 15% on a
5 line-by-line basis and by not more than 10% with respect to the total disbursements forecast in the
6 Alternate Budget. Any disbursement amount available under the Alternate Budget and not used
7 during any given week under the Designated Period is saved and preserved and shall be available
8 for use during any subsequent week within the Designated Period, and any amounts not used for
9 any given line item may be used for another line item only if and as may be necessary within the
10 Designated Period.

11 11. All financial institutions with which the Debtor has bank accounts, including
12 Preferred Bank, are directed to comply with this interim order on the Motion, and abide by the
13 Debtor's direction as to the disbursement of its funds consistent with this Order, even to the extent
14 of any deposit account control agreements, or "lock box" agreements, that may be in effect as of
15 the date of the Debtor's filing of this bankruptcy case.

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23 | Date: December 27, 2018


Sandra R. Klein
United States Bankruptcy Judge

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19 | Approved as to form:

20 | Manatt, Phelps & Phillips, LLP

23 By: Carl Grumer
24 Carl Grumer
25 Attorneys for JGB Collateral, LLC,
as agent for JGB (Cayman) Glenmachrie Ltd.
and JGB (Cayman) Glenmachrie Ltd.